

Brand Inspection

Analyst: Otto

Historical Summary

OPERATING BUDGET	FY 2019 Total App	FY 2019 Actual	FY 2020 Approp	FY 2021 Request	FY 2021 Gov Rec
BY FUND CATEGORY					
Dedicated	3,123,700	2,824,100	3,220,000	3,325,200	3,254,300
Percent Change:		(9.6%)	14.0%	3.3%	1.1%
BY OBJECT OF EXPENDITURE					
Personnel Costs	2,560,100	2,306,300	2,622,600	2,727,400	2,656,000
Operating Expenditures	395,100	359,700	419,400	442,800	443,300
Capital Outlay	168,500	158,100	178,000	155,000	155,000
Total:	3,123,700	2,824,100	3,220,000	3,325,200	3,254,300
Full-Time Positions (FTP)	37.84	37.84	37.84	39.09	39.09

Division Description

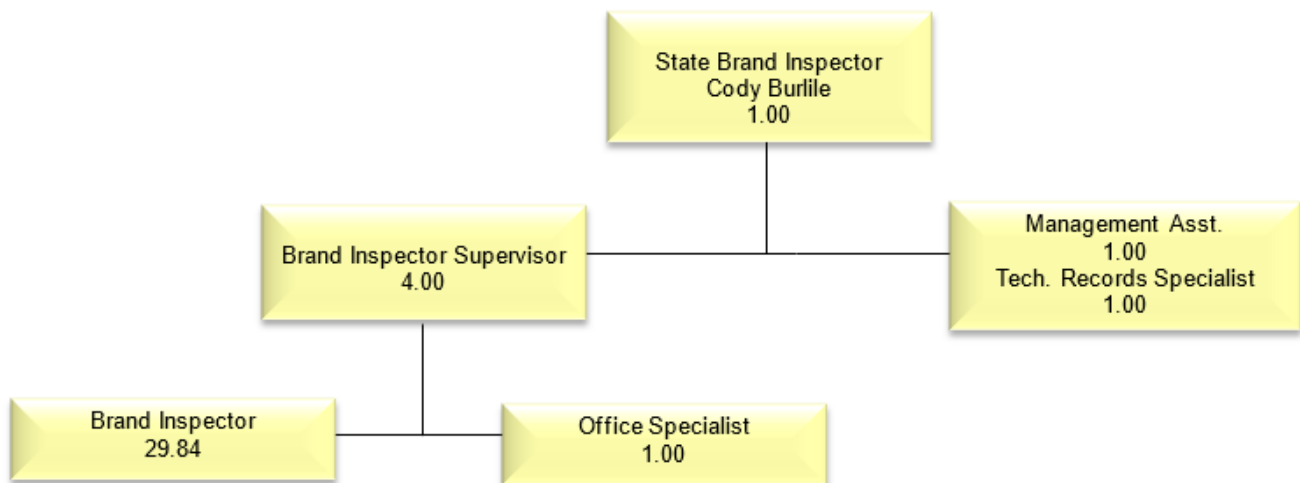
The Brand Inspection Division provides protection to the livestock industry from losses by theft and illegal slaughter [Statutory Authority: Section 25-1102, Idaho Code].

Brand Inspection

Agency Profile

Organizational Chart

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37.84 FTP

0.00 Vacant

Performance Report: <https://dfm.idaho.gov/publications/bb/perfreport/>

Open Audit Findings: <https://legislature.idaho.gov/Iso/audit/management-followup/>

Profile of Cases Managed and/or Key Services Provided

Cases Managed and/or Key Services Provided	FY 2016	FY 2017	FY 2018	FY 2019
Total Number of Livestock Inspected	1,960,779	1,894,874	2,018,405	2,048,222
Number of Stray Livestock Recovered	122	172	109	121
Proceeds Held on Questionable Ownership/Number of Head	1,303,320 2408	1,416,420 2623	1,465,500 2715	1,491,960 2724
Total Number of Brands Recorded	17,353	17,540	17,416	17,388
New Brand Recordings Per Year	632	553	538	595

Red Tape Reduction Act

Each agency shall incorporate into its strategic plan a summary of how it will implement the Red Tape Reduction Act, including any associated goals, objectives, tasks, or performance targets. This information may be included as an addendum.

	As of July 1, 2019
Number of Chapters	2
Number of Words	6,681
Number of Restrictions	97

Part II – Performance Measures

Performance Measure		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Goal 1						
<i>Provide prompt service to livestock owners.</i>						
1. Respond to inspection requests from livestock owners within one to two hours.	actual	96%	96%	96%	96%	-----
	target	95-100%	96%	96%	96%	96%
Goal 2						
<i>Increase public awareness of agency through training.</i>						
2. Number of inspection certificates written for meeting attendees as a result of education when a brand inspection is required.	actual	80%	80%	80%	85%	-----
	target	80-85%	80%	80%	80%	85%
Goal 3						
<i>Process new brand recordings in a timely manner.</i>						
3. Process new brand recording applications with ten days.	actual	90%	90%	90%	97%	-----
	target	90-95%	90%	90%	90%	95%
Goal 4						
<i>Hold proceeds where ownership of livestock is questionable.</i>						
4. Return proceeds to rightful owners where ownership of livestock is questionable.	actual	97%	97%	97%	97%	-----
	target	95-100%	97%	97%	97%	97%



Idaho Legislative Services Office
Legislative Audits Division

IDAHO BRAND BOARD

April Renfro, Manager

SUMMARY

PURPOSE OF MANAGEMENT REVIEW

We conducted a management review of the Idaho Brand Board (Board) covering the fiscal years ended 2015, 2016, and 2017. Our review covered general administrative procedures and accounting controls to determine that activities are properly recorded and reported.

The intent of this review was not to express an opinion but to provide general assurance on internal controls and to raise the awareness of management and others of any conditions and control weaknesses that may exist and offer recommendations for improvement.

CONCLUSION

We identified deficiencies in the general administrative and accounting controls of the Board.

FINDINGS AND RECOMMENDATIONS

There are three findings and recommendations in this report.

Finding 1 – Procedures and controls over the proceeds collected under hold orders on the sale of livestock are not adequate to prevent or detect errors or the misappropriation of funds.

Finding 2 – Brand inspection receipts are not deposited timely in accordance with Idaho Code.

Finding 3 – Travel expenditures were not documented or reimbursed in compliance with State travel policies.

The complete findings are detailed on pages 1 through 4 of this report.

PRIOR FINDINGS AND RECOMMENDATIONS

The prior management report contained three findings and recommendations, which were evaluated as part of the current review.

Prior Finding 1 - Brand inspection certificates are not consistently monitored for gaps in sequence.

Status – Closed

Prior Finding 2 - Cash payments for brand inspections are not deposited timely in accordance with Idaho Code.

Status – Closed and repeated as Finding 2 in the current report.

Brand Inspection

Analyst: Otto

FY 2019 Actual Expenditures by Division

			FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2019 Original Appropriation								
0229-15	Ded		37.84	2,560,100	395,100	168,500	0	0	3,123,700
Totals:			37.84	2,560,100	395,100	168,500	0	0	3,123,700
1.00	FY 2019 Total Appropriation								
0229-15	Ded		37.84	2,560,100	395,100	168,500	0	0	3,123,700
Totals:			37.84	2,560,100	395,100	168,500	0	0	3,123,700
1.41	Receipt to Appropriation								
0229-15	Ded		0.00	0	0	3,800	0	0	3,800
Totals:			0.00	0	0	3,800	0	0	3,800
1.61	Reverted Appropriation								
0229-15	Ded		0.00	(253,800)	(35,400)	(14,200)	0	0	(303,400)
Totals:			0.00	(253,800)	(35,400)	(14,200)	0	0	(303,400)
2.00	FY 2019 Actual Expenditures								
0229-15	Ded		37.84	2,306,300	359,700	158,100	0	0	2,824,100
	State Brand Board			2,306,300	359,700	158,100	0	0	2,824,100
Totals:			37.84	2,306,300	359,700	158,100	0	0	2,824,100
Difference: Actual Expenditures minus Total Appropriation									
0229-15	Ded			(253,800)	(35,400)	(10,400)	0	0	(299,600)
	State Brand Board			(9.9%)	(9.0%)	(6.2%)	N/A	N/A	(9.6%)
Difference From Total Approp				(253,800)	(35,400)	(10,400)	0	0	(299,600)
Percent Diff From Total Approp				(9.9%)	(9.0%)	(6.2%)	N/A	N/A	(9.6%)

Brand Inspection

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2020 Original Appropriation	37.84	0	3,220,000	37.84	0	3,220,000
Sick Leave Rate Reduction	0.00	0	0	0.00	0	(5,600)
FY 2020 Total Appropriation	37.84	0	3,220,000	37.84	0	3,214,400
Removal of Onetime Expenditures	0.00	0	(184,700)	0.00	0	(184,700)
Restore Ongoing Rescissions	0.00	0	0	0.00	0	5,600
FY 2021 Base	37.84	0	3,035,300	37.84	0	3,035,300
Benefit Costs	0.00	0	83,400	0.00	0	(11,100)
Replacement Items	0.00	0	128,700	0.00	0	128,700
Statewide Cost Allocation	0.00	0	9,100	0.00	0	9,100
Change in Employee Compensation	0.00	0	21,400	0.00	0	44,500
FY 2021 Program Maintenance	37.84	0	3,277,900	37.84	0	3,206,500
1. Brand Inspector	1.25	0	35,100	1.25	0	35,100
2. Office 365	0.00	0	12,200	0.00	0	12,200
OITS 1 – Operating Costs	0.00	0	0	0.00	0	500
FY 2021 Total	39.09	0	3,325,200	39.09	0	3,254,300
Change from Original Appropriation	1.25	0	105,200	1.25	0	34,300
% Change from Original Appropriation			3.3%			1.1%

Brand Inspection

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Original Appropriation					
The Legislature funded \$3,100 for technology consolidation and modernization in FY 2020.					
	37.84	0	3,220,000	0	3,220,000
Sick Leave Rate Reduction					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends a six-month reduction of funding for employers who contribute to the PERSI-managed sick leave plan. This reduction will begin to draw down the reserve balance, which has grown significantly during the past several years.</i>					
Governor's Recommendation	0.00	0	(5,600)	0	(5,600)
FY 2020 Total Appropriation					
Agency Request	37.84	0	3,220,000	0	3,220,000
Governor's Recommendation	37.84	0	3,214,400	0	3,214,400
Removal of Onetime Expenditures					
This action removes expenditures for replacement items and line items funded on a onetime basis in FY 2020.					
Agency Request	0.00	0	(184,700)	0	(184,700)
Governor's Recommendation	0.00	0	(184,700)	0	(184,700)
Restore Ongoing Rescissions					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends restoration of the sick leave rate reduction.</i>					
Governor's Recommendation	0.00	0	5,600	0	5,600
FY 2021 Base					
Agency Request	37.84	0	3,035,300	0	3,035,300
Governor's Recommendation	37.84	0	3,035,300	0	3,035,300
Benefit Costs					
Employer-paid benefit changes include an 18.9% increase (or \$2,200 per eligible FTP) for health insurance, bringing the total appropriation to \$13,850 per FTP. Also included are a one-year elimination of the unemployment insurance rate, a restoration of the Division of Human Resources rate, and adjustments to workers' compensation that vary by agency.					
Agency Request	0.00	0	83,400	0	83,400
<i>The Governor recommends no increase for health insurance due to fewer claims than expected and changes to federal tax policies; a one-year elimination of the sick leave rate and the unemployment insurance rate; restoration of the Division of Human Resources rate; and adjustments for workers' compensation rates.</i>					
Governor's Recommendation	0.00	0	(11,100)	0	(11,100)
Replacement Items					
The Brand Inspection Program requests \$128,700 from the Brand Board Fund to replace two tablets and five trucks. The trucks' mileage range from 166,195 to 192,839, with an average of 185,554 miles per truck. This request includes \$1,200 in onetime operating expenditures and \$127,500 in onetime capital outlay.					
Agency Request	0.00	0	128,700	0	128,700
Governor's Recommendation	0.00	0	128,700	0	128,700
Statewide Cost Allocation					
This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Attorney General fees will increase by \$4,600, risk management costs will increase by \$1,300, and State Controller fees will increase by \$3,200, for a net increase of \$9,100.					
Agency Request	0.00	0	9,100	0	9,100
Governor's Recommendation	0.00	0	9,100	0	9,100

Brand Inspection

Analyst: Otto

Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Change in Employee Compensation					
For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.					
Agency Request	0.00	0	21,400	0	21,400
<i>The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.</i>					
<i>The Governor recommends the pay structure for state employees be moved by 3% and includes \$5,500 for that purpose.</i>					
Governor's Recommendation	0.00	0	44,500	0	44,500
FY 2021 Program Maintenance					
Agency Request	37.84	0	3,277,900	0	3,277,900
Governor's Recommendation	37.84	0	3,206,500	0	3,206,500
1. Brand Inspector					
The division requests 1.25 FTP and \$35,100 from the State Brand Fund for additional brand inspector positions. This request would add a new brand inspector position in Twin Falls and increase a current brand inspector FTP from .75 to 1.00 in Coeur D'Alene. Of the total request, \$7,600 is for ongoing operating expenditures and \$27,500 is for onetime capital outlay for a new truck that will increase the size of the fleet to 46. There are no new personnel costs requested as the division has sufficient appropriation to absorb those costs. The Twin Falls area has seen an increase in the inspectors overtime hours due to more service locations in the area. Overtime hours over the last three years are:					
FY 2017 - 693.80; FY 2018 - 579.00; and FY 2019 - 1,055.50.					
Agency Request	1.25	0	35,100	0	35,100
Governor's Recommendation	1.25	0	35,100	0	35,100
2. Office 365					
The department requests \$197,200, with \$170,600 ongoing and \$26,600 onetime, to replace its Microsoft Exchange Server and Office Suites with Microsoft 365. This request is for the entire department, including all of the Idaho State Police (ISP), Peace Officers Standards and Training (POST), Brands, and Racing Commission. Microsoft 365 is the current state standard and will allow for the department's email and office suites to be cloud-based. The total amount includes the migration costs from the current server to the cloud, as well as covering up to 700 users. The breakout by division is as follows: Brand inspection for \$12,200; ISP for \$176,300; POST for \$8,700; and the Racing Commission is able to absorb the costs in its base appropriation.					
Agency Request	0.00	0	12,200	0	12,200
Governor's Recommendation	0.00	0	12,200	0	12,200
OITS 1 – Operating Costs					
Agency Request	0.00	0	0	0	0
<i>The Governor recommends this agency's share of ongoing funding to pay the Office of Information Technology Services for security software and data center office space located at the Chinden Campus.</i>					
Governor's Recommendation	0.00	0	500	0	500
FY 2021 Total					
Agency Request	39.09	0	3,325,200	0	3,325,200
Governor's Recommendation	39.09	0	3,254,300	0	3,254,300

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
Agency Request					
Change from Original App	1.25	0	105,200	0	105,200
% Change from Original App	3.3%		3.3%		3.3%
Governor's Recommendation					
Change from Original App	1.25	0	34,300	0	34,300
% Change from Original App	3.3%		1.1%		1.1%